

## SENATE BILL NO. 129

INTRODUCED BY WHEAT

BY REQUEST OF THE STATE LIBRARY COMMISSION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATING TO THE CREATION, CONSOLIDATION, AND FUNDING OF PUBLIC LIBRARIES AND PUBLIC LIBRARY DISTRICTS; ESTABLISHING A LIBRARY DEPRECIATION RESERVE FUND; AND AMENDING SECTIONS 22-1-326, 22-1-327, 22-1-330, 22-1-702, 22-1-705, AND 22-1-707, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 22-1-326, MCA, is amended to read:

**"22-1-326. State aid to public libraries.** (1) As used in 22-1-326 through 22-1-331, "public library" means a library created under Title 7 or under 22-1-301 through 22-1-317.

(2) As provided in 22-1-325 through 22-1-329, the commission shall administer state aid to public libraries and public library districts created and operated under part 7 of this chapter. The purposes of state aid are to:

(a) broaden access to existing information by strengthening public libraries and public library districts;

(b) augment and extend services provided by public libraries and public library districts; and

(c) permit new types of library services based on local need.

(3) Money appropriated for the purposes of this section may not be used to supplant general operating funds of recipient public libraries or public library districts. The commission may withhold a distribution to a library or district that receives less support from a mill levy or local government appropriation than its average for the preceding 3 fiscal years if ~~such a~~ the decrease may reasonably be linked to money received or expected to be received under 22-1-325 through 22-1-329."

**Section 2.** Section 22-1-327, MCA, is amended to read:

**"22-1-327. State aid -- per capita -- per square mile.** The commission shall distribute grants to public libraries and public library districts on a per capita and per square mile basis."

1       **Section 3.** Section 22-1-330, MCA, is amended to read:

2       **"22-1-330. Commission rulemaking authority.** The commission may adopt rules and procedures for:

- 3       (1) the distribution of state aid to public libraries and public library districts on a per capita and per  
4 square mile basis;  
5       (2) issuance of state multilibrary cards;  
6       (3) reimbursement for interlibrary loan lending;  
7       (4) distribution of base grants provided for in 22-1-331; and  
8       (5) the composition of the library federation board of trustees, as provided in 22-1-404."

9  
10       **Section 4.** Section 22-1-702, MCA, is amended to read:

11       **"22-1-702. Creation or enlargement of public library district.** (1) Proceedings for the creation or  
12 enlargement of a public library district or the conversion of a public library to a public library district may be  
13 initiated by:

14       (a) a petition signed by not less than 15% of the qualified electors who reside within the proposed district  
15 or the area to be added to an existing district; or

16       (b) a resolution of intent adopted by the county governing body, calling for the creation of a district.

17       (2) The petition must contain:

18       (a) the boundaries of the proposed public library district;

19       (b) a map showing the boundaries;

20       (c) subject to 15-10-420, the proposed maximum property tax mill levy that could be levied on property  
21 owners within the district for the operation of the district; and

22       (d) the proposed number of members on the board of trustees. The number of members must be five  
23 or seven.

24       (3) When the territory to be included in the proposed public library district lies in more than one county,  
25 a petition must be presented to the governing body of each county in which the territory lies. Each petition must  
26 be signed by not less than 15% of the qualified electors of the territory within the county proposed for inclusion  
27 in the district.

28       (4) Upon receipt of a petition to create a public library district, the county clerk shall examine the petition  
29 and within 15 days either reject the petition if it is insufficient under the provisions of subsection (1), (2), or (3)  
30 or certify that the petition is sufficient and present it to the county governing body at its next meeting.

(5) The text of the petition must be published as provided in 7-1-2121 in each county in which territory of the proposed public library district lies.

(6) At a hearing on the proposed public library district, the county governing body shall hear testimony:

(a) of all interested persons on whether a district should be created;

(b) regarding the proposed boundary, the property tax mill levy, and the number of members of the board of trustees; and

(c) on any other matter relating to the petition.

(7) After the hearing, if the county governing body determines that the proposed public library district should be created, it shall by resolution:

(a) set the boundaries of the proposed district;

(b) set the maximum mill levy for the proposed district;

(c) set the number of members to be on the board of trustees; and

(d) call for an election on the question of whether to create the district. The election may be:

(i) held in conjunction with a regular or primary election; or

(ii) conducted by mail ballot in accordance with the provisions of Title 13, chapter 19.

~~(8) Except as provided in 22-1-705, if all or part of the territory served by an existing public library, as defined in 22-1-326, is included within the boundaries of a newly created or enlarged public library district, the governing body of the county shall adjust the boundaries of the district to exclude the territory served by the public library."~~

**Section 5.** Section 22-1-705, MCA, is amended to read:

**"22-1-705. Consolidation of existing public libraries ~~or~~ and public library districts.** (1) (a) If all or part of the territory served by an existing public library, as defined in 22-1-326, is included within the boundaries of a public library district, the governing body of each county with territory included in the district shall notify the governing body of the city or county that established the public library that the territory served by the library is included in the district boundaries. The governing body of the city or county that established the public library shall hold a public hearing on the question of whether the territory served by the library should be included in the district. If the governing body determines that the territory served by the public library may should be consolidated into the district, upon the adoption of it shall adopt a resolution, following a the public hearing, by the governing body of the city or county that established the public library to that effect and by the board of

~~trustees of the district. If the governing body of the city or county that established the public library determines that the territory served by the library should not be included in the district, it shall adopt a resolution to that effect and the boundaries of the district must be adjusted to exclude the territory served by the public library.~~

(b) Any existing bonded indebtedness against the territory served by the public library or the library district remains the indebtedness of the original territory and must be paid by levies on the original territory.

(2) The territory of an existing public library district may be consolidated into a contiguous district upon the adoption of a resolution, following a public hearing, by the board of trustees of each district. The governing board of the county containing the largest percentage of territory in the district shall appoint the board of trustees for the consolidated district. The appointed trustees shall serve until their successors are elected, in accordance with the provisions of 22-1-706."

**Section 6.** Section 22-1-707, MCA, is amended to read:

**"22-1-707. Duties and powers of board of trustees.** (1) The board of trustees of a public library district shall:

(a) operate and maintain library property within the district and may conduct programs relating to libraries and make improvements to district property as the board considers appropriate;

(b) prepare annual budgets as required by the county governing body or bodies;

(c) pay necessary expenses of district staff members when on business of the district; and

(d) prepare and submit any records required by the Montana state library.

(2) The board has all powers necessary for the betterment, operation, and maintenance of library property within the territory of the public library district, including establishing library locations. In the exercise of this general grant of powers, the board may:

(a) (i) employ or contract with administrative, professional, or other personnel necessary for the operation of the district; or

(ii) contract with other entities to provide or receive library services and to pay out or receive funds for those library services;

(b) lease, purchase, or contract for the purchase of personal property, including property that after purchase constitutes a fixture on real property;

(c) (i) lease, purchase, or contract for the purchase of buildings and facilities on lands controlled by the district and may own and hold title to the buildings and facilities and equip, operate, and maintain the buildings

1 and facilities; or

2 (ii) receive by transfer, conditionally or otherwise, from a county or city, the ownership or control of a  
3 library building, with all or any part of its property, provided that any existing debt of the governing body  
4 transferring the interest tied to the property must remain an obligation of the governing body and may not  
5 become an obligation of the district;

6 (d) adopt by resolution, bylaws and rules for the operation and administration of the district;

7 (e) subject to 15-10-420, establish a property tax mill levy for the operation of the district as provided  
8 in 22-1-708;

9 (f) with the concurrence of the county governing body or bodies, accept donations of land or facilities  
10 within the district to be used for district purposes;

11 (g) accept donations and devises of money or personal property; ~~and~~

12 (h) establish a library depreciation reserve fund as authorized and described in [sections 7 through 9];

13 and

14 ~~(h)(i)~~ exercise other powers, not inconsistent with the law, necessary for the operation and management  
15 of the district."  
16

17 NEW SECTION. Section 7. Library depreciation reserve fund authorized. The trustees of a public  
18 library district may establish a library depreciation reserve fund for the replacement and acquisition of property,  
19 capital improvements, and equipment necessary to maintain and improve district library services.  
20

21 NEW SECTION. Section 8. Money for library depreciation reserve fund. Money for the library  
22 depreciation reserve fund is those funds that have been allocated for district library services in any year but  
23 which have not been expended by the end of the year. The money includes but is not limited to county  
24 appropriations, federal reserve sharing funds, and public and private grants.  
25

26 NEW SECTION. Section 9. Investment of library depreciation reserve fund. The money held in the  
27 library depreciation reserve fund may be invested as provided by law. All interest earned on the fund must be  
28 credited to the library depreciation reserve fund.  
29

30 NEW SECTION. Section 10. Codification instruction. [Sections 7 through 9] are intended to be

1 codified as an integral part of Title ~~27~~ 22, chapter 1, part 7, and the provisions of Title ~~27~~ 22, chapter 1, part 7,  
2 apply to [sections 7 through 9].  
3 - END -